GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6042
ANSWERED ON:31.08.2001
CLEARING CORPORATION OF INDIA
IQBAL AHMED SARADGI

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India constituted advisory group on payment and settlement system has recommended setting up a clearing agent abroad by the Clearing Corporation of India;

(b) if so, whether this panel has also advocated instituting a separate guarantee fund for foreign exchange clearing;

(c) whether it has suggested integrating banks and the CCI with the real time gross settlement system;

(d) if so, the details of other recommendations made; and

(e) the steps being taken to implement them?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a), (b) & (c) : Yes Sir.

(d) : The Group also made recommendations for meeting the minimum standards of Lamfalussy report, taking adequate risk control measures and explore the possibilities of introduction of extended time zone, loss sharing arrangements, creation of a contingency fund etc.

(e) : The Clearing Corporation of India Ltd.(CCIL) was incorporated on 30th April, 2001 under the Companies Act, 1956 with State Bank of India, Bank of Baroda, HDFC Bank Ltd., ICICI, IDBI and LIC as the core promoters. The CCIL will handle integrated clearing and settlement of interbank foreign exchange transactions besides clearing and settlement of domestic debt and money market instruments. The CCIL will also have in place a Guarantee Fund for forex clearing and settlement operations.